

Denatured ethanol, like other alcohol, is a volatile and inflammable liquid suitable or practicable for operating motor vehicles in its original or blended form. As a result, the Motor Fuel Tax is applicable to denatured alcohol. See 35 ILCS 505/1.1. When your client sells denatured ethanol in Illinois, it incurs Motor Fuel Tax unless the purchaser has a valid, unrevoked license as a motor fuel distributor or supplier.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote
Associate Counsel

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